STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF: PROSPER LPTG, LIMITED PRIVATE

TRADE GROUP, LPTG

THEIR OFFICERS, DIRECTORS,

EMPLOYEES, AFFILIATES, SUCCESSORS,)

)File No. 1200319

)

AGENTS AND ASSIGNS AND JOHN

MORGAN HOMAN

NOTICE OF HEARING

TO THE RESPONDENTS: Prosper LPTG

Limited Private Trade Group

LPTG

John Morgan Homan 343 Oakwood Ave., East Peoria, IL 61611

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 W. Jefferson St., Suite 300A, Springfield, Illinois 62702, on the 21st day of November, 2012 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order of Prohibition should be entered against the Respondents in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

- 1. That Respondents Prosper LPTG, Limited Private Trade Group and LPTG are purported business entities operated and promoted by John Morgan Homan.
- That Respondent John Morgan Homan is the promoter and operator of the Prosper LPTG, Limited Private Trade Group and LPTG business entities with a last known address of 343 Oakwood Ave., East Peoria, IL 61611.
- 3. That from September 2010 up to the present, the Respondents offered and sold investors investments in several different investment schemes.
- 4. In the first scheme, investors were solicited via a mass email message to invest in a bank trade program. Investors were told in the message that for a minimum amount of \$50 they could purchase shares of a bank trade that promised a compound rate of return of \$1,280,000 in one year or \$625 in thirty days.
- 5. In a second scheme, Respondents solicited investors by email to invest and become members in an Online Savings and Loan Bank to be financed and developed by the Respondents.
- 6. Investors in the Savings and Loan Bank were promised a return of up to 100% plus other financial benefits of membership including a death benefit package.
- 7. In a third scheme, Respondents solicited investors to invest in a Foreign Currency investment program by depositing money into a Forex Trading account. Respondents represented that the money would be invested and traded by a 'Trading Robot' and would earn a rate of return of 10-15% per month.
- 8. The above-referenced investment schemes are investment contracts and securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act").
- 9. That Section 5 of the Act provides, <u>inter alia</u>, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.

- 10. That Section 12.A of the Act provides, inter alia that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
- 11. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act.
- 12. That at all times relevant hereto, the Respondents and their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and John Morgan Homan failed to register their securities prior to their offer and sale in the State of Illinois.
- 13. That by virtue of the foregoing, the Respondents, their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and John Morgan Homan have violated Sections 12.A and 12.D of the Act.
- 14. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
- 15. That Section 11.E(2) of the Act provides, <u>inter alia</u>, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
- 16. That Section 11.E(4) of the Act provides, <u>inter alia</u>, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
- 17. That by virtue of the foregoing, the Respondents are subject to a fine of up to \$10,000.00 per violation, an

order of censure and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 17th day of Clober,

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Attorney for the Secretary of State: David Finnigan Illinois Securities Department 300 W. Jefferson St. Suite 300A Springfiela, Illinois 62702 Telephone: (217) 785-4947

Hearing Officer: Jon K. Ellis 1035 S. 2nd St. Springfield, Illinois 62704 217-528-6835 Fax 217-528-6837